

Life Changes and Your Benefits

Your personal and family situation is likely to change several times during your career. It's important to make sure that your employment records and benefits keep up with those life changes. Changes in your personal and family situation may provide opportunities to increase, reduce, or change your current benefits elections, and you don't want to miss the chance!

The most common life changes that may affect your benefits include:

- Marriage.
- Divorce or legal separation.
- Birth or adoption of a child.
- Death of a spouse.
- Covered child turning age 22.
- Covered child under 22 getting married.

Items that should be reviewed in connection with personal and family changes are:

- Name and address.
- Life and health insurance enrollments.
- Eligibility of family members for insurance coverage.
- Beneficiary forms.
- Miscellaneous items such as Savings Bonds, income tax withholding, and direct deposit.

Name changes: If your name is changing, you need to visit the Social Security office and file an application there *before* notifying Public Debt's Human Resources Staff. Ask the Social Security staff for a receipt. You must submit a copy of this receipt or your new Social Security card to Human Resources before your name can be changed in the personnel/payroll system.

Address changes: These can be submitted through Employee Express or to Human Resources Staff via email. Address changes in the personnel/payroll system will be transmitted automatically to the Thrift Savings Plan (TSP) if you are currently participating.

Health insurance: You may be able to enroll for coverage, change your coverage, or cancel your coverage in connection with family changes. For example, marriage and divorce allow you to enroll for health insurance (if you weren't already enrolled) or to change from a Self Only enrollment to a Self and Family enrollment.

Life insurance: Marriage, divorce and birth of a child allow you to sign up for or increase Option B coverage on yourself. These events also provide the rare opportunity to enroll for or increase Option C (Family) coverage on your eligible family members.

Remember, there are time limits on these opportunities. Be sure to act promptly so you don't miss your chance!

Children can usually be covered under health and life insurance policies if they meet ALL of the following criteria:

- Under age 22.
- Unmarried.
- Dependent.

If you have a child approaching age 22, or a child under 22 who is marrying, check with the Human Resources Staff about necessary changes to your coverage. Human Resources also wants to be

sure these growing children know that they can continue their health insurance coverage through a Temporary Continuation of Coverage enrollment.

Beneficiaries: Life changes should also prompt you to review who would receive money in the event of your death. Funds might be payable in the form of:

- Life insurance.
- Retirement contributions or survivor benefits.
- Thrift Savings Plan (TSP) contributions.
- Unpaid salary and annual leave.

The benefits listed above would usually be paid to the first eligible individual(s) in the following Order of Precedence:

- 1) Your designated beneficiary, as shown on properly completed and submitted forms.
- 2) Your surviving spouse.
- 3) Your child or children in equal shares, with the share of any deceased child paid to his/her descendants.
- 4) Your parents in equal shares or the entire amount to your surviving parent.
- 5) The executor or administrator of your estate.
- 6) Your next of kin under the laws of the state of your residence at the time of death.

Retirement system funds and life insurance funds may be exceptions to this Order of Precedence. Retirement funds must be paid in the form of a survivor annuity if an eligible survivor exists. (The surviving spouse and dependent children under age 18 are generally eligible.) These funds will be paid in the Order of Precedence *only if no eligible survivors exist*. With regard to life insurance, a qualifying court order can supercede the Order of Precedence.

If payment in the Order of Precedence 2-6 (above) is satisfactory to you, then you do not need to complete beneficiary forms. However, if you want the benefits paid differently than items 2-6 above, you need to designate the beneficiaries for those benefits. Designations of beneficiary usually remain in effect until they are canceled or replaced and can usually be changed at any time.

Miscellaneous Records:

- Savings Bonds: Make sure your co-owner or “payee of death” (POD) and your mailing address are up-to-date.
- Income tax withholding: Life changes may prompt a change in Federal or state tax withholding.
- Direct Deposit: If your life change results in a change in bank accounts or financial institutions, be sure to make changes as necessary.

For more information about the records and benefits discussed here, contact the staff of Public Debt’s Human Resources Division at (304) 480-7564 or Benefits@bpd.treas.gov.